SENATE BILL 1392
By McNally

HOUSE BILL 1213

By Sexton

AN ACT to amend Tennessee Code Annotated, Title 8; Title 56 and Title 71, relative to insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 6, is amended by adding the following as a new section:

(a) As used in this section:

(1) "Covered person" means an individual who is insured under a healthcare plan;

(2) "Healthcare services":

(A) Means a nonemergency medical service; and

(B) Includes a prescription drug or device;

(3) "Insurance plan":

(A) Means health insurance coverage as defined in § 56-7-109; and

(B) Includes a state healthcare plan;

(4) "Nonemergency medical service":

(A) Means the examination or treatment of an individual for the prevention of illness or the correction or treatment of any physical or mental condition resulting from an illness, injury, or other human physical problem that does not qualify as an emergency medical service; and

(B) Includes:

(i) Hospital services that include the general and usual care, services, supplies, and equipment furnished by hospitals;

(ii) Medical services that include the general and usual care and services rendered and administered by doctors of medicine, dentistry, optometry, and other healthcare entities; and

(iii) Other medical services that, by way of illustration only and without limiting the scope of this part, include the provision of appliances and supplies; nursing care by a registered nurse; institutional services, including the general and usual care, services, supplies, and equipment furnished by healthcare entities and agencies or entities other than hospitals; physiotherapy; drugs and medications; therapeutic services and equipment, including oxygen and the rental of oxygen equipment; hospital beds; iron lungs; orthopedic services and appliances, including wheelchairs, trusses, braces, crutches, and prosthetic devices, including artificial limbs and eyes; and any other appliance, supply, or service related to health care that does not qualify as an emergency medical service; and

(5) "State healthcare plan" means an insurance plan established pursuant to title 8, chapter 27 or chapters 34-37.

(b) A covered person may choose to pay for healthcare services out-of-pocket. If a covered person negotiates for a lower cost for the healthcare services than the average allowed amount paid by the carrier to network providers for a comparable healthcare service, and the covered person pays for healthcare services out-of-pocket,

the healthcare entity shall send documentation, which may be sent electronically, to the carrier, that provides the following:

(1) What healthcare services the covered person received;

(2) The negotiated cost of the healthcare services that the covered person received; and

(3) A statement that:

(A) The covered person paid out-of-pocket for the healthcare services received; and

(B) The healthcare entity is not making a claim against the carrier for payment for the healthcare services provided to the covered person.

(c) A carrier that receives the documentation described in subsection (b) shall count the full amount that the covered person paid out-of-pocket toward the covered person's deductible, coinsurance, copayment, or other cost-sharing amount:

(1) If the healthcare services are included under the covered person's insurance plan;

(2) The covered person negotiated for a lower cost for the healthcare service than the average allowed amount paid by the carrier to network providers for that comparable healthcare service; and

(3) Regardless of whether the healthcare entity belongs to the provider network in the healthcare plan.

(d) The amount counted toward a covered person's out-of-pocket deductible, coinsurance, copayment, or other cost-sharing amount must not exceed the total amount that the covered person is required to pay out-of-pocket during a contractually agreed upon period of time for healthcare services that are included under the covered person's

insurance plan, and does not carry over once a new contract or agreement period for the insurance plan begins.

SECTION 2. Tennessee Code Annotated, Section 56-7-609, is amended by deleting the section and substituting:

(a) Notwithstanding this part and except as provided in subsection (b), the total value of incentives offered to any one (1) enrollee must not exceed five hundred ninety-nine dollars ($599) in any year.

(b) The monetary limit on incentives described in subsection (a) does not apply to SECTION 1.

SECTION 3. Tennessee Code Annotated, Section 56-7-603(a)(1), is amended by deleting "Beginning on January 1, 2021, a carrier may provide incentives" and substituting "In addition to the requirements of SECTION 1, beginning on January 1, 2021, a carrier may provide incentives".

SECTION 4. Tennessee Code Annotated, Section 56-7-603(a)(2), is amended by deleting "Incentives, effective January 1, 2021, may" and substituting "In addition to the requirements of SECTION 1, incentives, effective January 1, 2021, may".

SECTION 5. This act takes effect July 1, 2023, the public welfare requiring it, and applies to healthcare plans issued, delivered, entered into, amended, or renewed on or after that date.